From:	ehud barak <ehbarak1@gmail.com>
To:	Gary Fegel <gary@fegel.com>
CC:	
Date:	Tue, 10/29/2013 2:27:28 PM
Subject:	Re: update

Hi Gary
VG. Does it make sense to produce a business card for TrueSec LLC and call ourselves Founders?
EB

Sent from my iPhone

On Oct 29, 2013, at 11:29, Gary Fegel <gary@fegel.com> wrote:

> Hi Ehud
> True, the maths hasn't changed.....
> Matthias is in contact with Shmulik to sort out things, I believe we are on track to finalize everything by Thursday morning.
> In case we need to sign certain things, I will ask the lawyer to come by for the signatures.
> Looking forward, too.
> We'll make a small breakfast for you and your wife and we can talk about all the open points.
> I will send you the address with a google map shortly, boarding a plane now.
> Talk later
> Best
> Gary
>
> On 27 Oct 2013, at 23:33, ehud barak <ehbarak1@gmail.com> wrote:
>
> > Hi Gary
> > I was a little bit busy in the recent days. Glad to see we start to move on. Re your remarks,I've asked Shmulik to contact Matthias and try to set the details. The same operating rules could be applied to BOTH LLCs.
> > I think simplicity is of the essence. I propose NO Board,management by two members, namely GMFC and Hyperion or you and me. if the need arises to authorize GMFC ,Hyperion, Matthias, Shmulik or someone else to take certain action on the LLC behalf we'll do it. I propose that basically we'll agree that Matthias will be the Lawyer and Shmulik the Accountant of the LLC. This will assure that everything will always be clear to both of us. The modus operandi of the LLC should be based on consensus on every decision, unless we explicitly decide otherwise.
> > Re profit share/ownership 1)I prefer to hold the shares in person. You can hold it either as a person or Company based on your situation.
> > 2)The formula is OK. You've left school 20yrs ago, I did it 50yrs ago and however complicated it appears to be the rules of addition and subtraction as well as the Integral (a.xdx) remained the same.
> > Looking forward to see you on Thursday. Let's try to complete establishing the entities by then.
> > best

EB

On Oct 25, 2013, at 12:16 AM, Gary Fegel <gary@fegel.com> wrote:

Hi Ehud

The companies are incorporated and, as you can see from my emails, I threw the ball back into the court of Pavel and Shmuel. That buys us some time.

What we (Matthias and his colleagues in the US) are working on right now is the so called “operating agreement”. An LLC is a very flexible structure, and therefore every LLC has to have an operating agreement that defines what the LLC is, what it does, who owns the shares, how it is managed and so on. Technically the LLC is only operational once this operating agreement is in force. However, Pavel, Shmulik and friends haven’t ask for it, so we just go ahead for now.

In any case, we have to clarify certain issues in order to finalise the operating agreements for both LLC’s. I have summarised the relevant open points for you below

1) Management and board:
LLCs can be managed in a variety of ways, e.g., (1) directly by the members, (2) directly by a single member who is the “managing member”, (3) by one or more managers, who may or may not also be members, or (4) by a corporate-style “board of directors”. A “member” can also be a company, as it is the case here, because I will hold my interest through my swiss holding company. I suggest that my swiss holding company (GMF Capital Ltd.) is the “managing member” for both companies. That’s easy and I can sign on our behalf including opening / managing the bank account (looks like we need one), which I would open in Bank Julius Baer in Zurich. The name of the members including the managing member isn’t public info. You can obviously use the company (as owner or shareholder or whatever title you want (if any), especially Truesec.
Alternatively we can have 2 managers, one is GMF Capital, one is you. Then we can both sign as well. Or only by joint signature if you prefer, but that would make things a bit complicated operationally.

Please let me know your thoughts on this point.

2) Accounting and admin work,
I’m looking at 2 options: (1) Baker McKenzie through their in-house corporate maintenance services in the US or (2) GMF Capital Ltd. There is very little to do, but I will check the costs, then we decide.

3) Profit share /ownership

As discussed, ownership is 50/50 and profit share as per the agreed formula. That will be done through so called Class A and Class B units. Details to follow.
It wasn't so easy to define this type profit share and we had to go back to some old maths books…however, the formula is attached.
Enjoy.

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